



DIRECTOR SHIRE SERVICES REPORT

14 June 2005

DSS5 SEWERAGE PRICING POLICY
FILE: * GRP

SUMMARY

Reporting on the protocols for the allocation of discharge factors under the Proposed Sewerage Pricing Policy.



Council resolved at its 10 May 2005 meeting to include new user-pays sewerage pricing (including trade waste) in the 2005/6 Management Plan.

Part of this pricing system is an allocated Discharge Factor for non-residential properties, which relates to the type of business being operated at the premises. Some premises have multiple businesses operating from the one water service and therefore allocation of a discharge factor can become complex.

Macleay Water has prepared a draft policy detailing protocols for allocation of discharge factors to these premises and procedures for variation of these discharge factors in special circumstances. This draft policy is attached as [\(Appendix C Part 1, Part 2, Part 3, Part 4, PART 5\)](#)

REPORT IMPLICATIONS:

▪ ***Environmental***

As previously reported, the user-pays system provides incentive for more efficient water use, which results in less pressure on water and sewage treatment operations thereby reducing effluent discharges and energy consumption.

Allocation of discharge factors and protocols for the variation of discharge factors, whilst maintaining an equitable assessment, may also provide additional incentive for businesses to further refine processes to reduce water consumption and/or wastewater production.

- **Social**

In addition to the previously reported social implications regarding the removal of cross subsidies from the residential sector, the proposed policy provides fairness amongst non-residential customers in allocation of appropriate discharge factors.

- **Economic (Financial)**

Activities and businesses subject to the Proposed Sewage Pricing may have different processes and therefore significantly different wastewater production volumes. Furthermore, businesses classified under the same specific discharger category may exhibit significantly different wastewater volumes.

Protocol for variation to allocated discharge factors is essential to ensure equitable and objective assessment of applications for such variations. This flexibility is essential to ensure a true user pays system is sustainable and accepted as fair.

- **Policy or Statutory**

Incorporation of discharge factors and protocols for variations to discharge factors is considered essential in an effective and equitable user pays pricing, which, as previously reported, is a DEUS prerequisite for Best Practice Management of local water utilities.

- **Director's Review**

This policy is necessary to give staff clear guidelines in the allocation of discharge factors and Council is urged to adopt the recommendation.

RECOMMENDATION:

That the policy for assessment of Discharge Factors in [Appendix C, Part 1, Part 2, Part 3, Part 4, Part 5](#) be adopted for use in conjunction with the new sewerage pricing system.

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DIRECTOR SHIRE SERVICES
K J Finnie